the recently held National Development Council meeting; and

(b) what action is proposed to be taken by Government for implementing the same?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS, MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI RAM NAIK): (a) and (b) The National Development Council (NDC) has approved the ninth Five Year Plan (1997—2002) in their meeting held on 19th February 1999.

The NDC endorsed the recommendations of the NDC Committee on Power and urged the Union, State and UT Governments to implement these recommendations on priority. It was suggested by the NDC that while revising the administered prices of essential comodities, a balance needs to be struck between the interests of the farmers and consumers, particularly the poorer sections of society, and the macro-economic imperatives of fiscal stabilisation and control of inflation.

The NDC decided to constitute two Sub-Committees under the Chairmanship of Deputy Chairman, Planning Commission, with members from the Central ministries and States, to go into:

(a) The critieria for allocation of funds under major rural poverty alleviation schemes.

(b) The transfer of Centrally Sponsored Schemes (CSS) and the modalities involved therein.

Contribution of Education to Economic Growth

1061. SHRI E. BALANANDAN: Will the PRIME MINISTER be pleased to state:

(a) whether Government are aware that contribution of education to economic growth in India is 27 per cent and in addition there is significant contribution of education to health, fertility, population growth and other aspects of social demographic and political development.

(b) whether Government are also aware that one year of additional schooling of the workforce would raise output by as much as 23 per cent; and

(c) if so, whether Government failed to give much emphasis on education and to solve the unemployment?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS, MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI RAM NAIK): (a)Yes, the Government is well aware of the contribution of education to economic growth and is one of the most important factors. Several empirical studies conducted to estimate the contribution of education to economic growth reveals that it ranges between 5 per cent to 25 per cent in the world. In case of India, however, research studies in general indicate that an education system accounts for an average of 15 per cent of a nation's resources. The evidence suggests that the social and private rates of return (differential) from primary education are 20.2 per cent and 24.7 per cent and from secondary stage these return are 16.8 and 19.2 percent respectively for India. The evidence further suggests that the economic and social returns to investment in primary schooling in most developing countries are higher, at the present time, than other forms of "educaitonal investment". In mainstream economics education is treated as an 'investment' International studies of economic returns to education suggest that (1) education is one of the best investments developing countries can make (2) economic returns to education

are highest for primary schooling and decline with rising levels of education, and (3) female education has higher economic returns than male education.

(b) Yes, recently it has been estimated that each year of extra schooling raises men's productivity by 8 per cent and women's productivity by 10 per cent. Another study which focuses on interstate comparisons of educational attainment of the workforce raises output by 13 per cent.

(c) The Government in its intention has not failed but is constrained by resource-availability. However, over the years, educational investment from the Government side has been stepped up. At present this investment from Government side is about 3.8 per cent of Gross Domestic Product as compared to 1.27 per cent in 1950-51. The Government intends to step this investment further particularly at the primary school stage. The action Plan on Social infrastructure has been integrated with the draft Ninth Five Year Plan and consequently the allocation for education is proposed to be stepped up. Further, Planning Commission has constituted a Committee of Experts on current status of expenditure on Education. The Committee met in July, 1998 and it draft reprot is ready which is going to be discussed shortly in its second meeting. The Committee is looking into the strategy for ensuring a gradual increase in spending on education to 6% GDP as part of its term of reference and suggests measures how it can be increased over the coming Five Year Plan.

Infrastructure equalisation for North-Eastern Region

1062. SHRI W. ANGOU SINGH: Will the PRIME MINISTER be pleased to state:

(a) whetehr the Ninth Five Year Plan has been completed and published and by when will the copy of it be received; and

(b) whether as for the North-Eastern States which are lagging far behind the National average for their infrastructure equalisation plan have been given provision to bring them up to the National average?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS, MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI RAM NAIK): (a) The Ninth Five Year Plan has been approved by the National Development Council (NDC) in its meeting held on 19th February, 1999. The copy of the Ninth Plan placed before the NDC is available in the Parliament Library. The approved Plan Document will be also laid on the table of the Hosue is due course.

(b) A non-lapsable -Central Pool of Resources for the North-East and Sikkim has been constituted for assisting development projects, including in the infrastructure sector, in these States. Release amounting to Rs. 93.10 crore have since been made for the projects (including some recommended by the High Level Commission covered in the New Initiatives for the North-Eastern Region) in the North East.

Improvement of Social Services for Handicapped People

1063. SHRI C. RAMACHANDRAIAH: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that adequate importance is not being given to improvement of social services and encouragement to handicapped people in Ninth Plan;

(b) whether it is also a fact that socia services for handicapped people have been categorised as non-essential or not having adequate merit;

(c) what are the reasons for the neglect lillions of people in this category; and